

## Message Text

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PAGE 01 TEHRAN 04468 110402Z  
ACTION NEA-11

INFO OCT-01 ISO-00 H-01 PA-01 COM-02 SP-02 ICA-11  
AID-05 EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01  
CEA-01 CIAE-00 FRB-03 INR-10 NSAE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 /094 W  
-----066611 110916Z/17

R 101048Z MAY 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 8256

LIMITED OFFICIAL USE TEHRAN 04468

E.O. 11652: N/A  
TAGS: EFIN, IR  
SUBJ: BANKING-CITIBANK SALE OF EQUITY IN IRANIANS  
BANK

REF: TEHRAN 1398

1. CITIBANK'S IRAN COUNTRY HEAD KELLEY IN CONFIDENCE TOLD  
EMBOFF THAT SALE OF BULK OF CITIBANK'S 35 PERCENT EQUITY  
IN IRANIANS BANK IS IMMINENT AND ALONG LINES DESCRIBED  
IN REFTEL. AGREEMENT ON AN ACCEPTABLE SHARE PRICE  
HAS BEEN ACHIEVED AND CENTRAL BANK OF IRAN APPROVAL IS  
VIRTUALLY CERTAIN. KELLEY UNDERSTANDS THAT AGREEMENT IN  
PRINCIPLE OF THE SALE WAS OBTAINED "THE TOP" OF THE  
GOI. AN APPEALING FEATURE OF THE SALE TO THE CBI  
REPORTEDLY IS THE INCREASED NUMBER OF IRANIANS BANK  
EMPLOYEES AS SHAREHOLDERS WHICH WILL RESULT, ALTHOUGH SOME  
OF ITS CURRENT OWNERS' EQUITY IS ALSO EXPECTED TO  
INCREASE. THE THREE CITIBANK OFFICERS IN THE BANK  
WILL BE TERMINATED EFFECTIVE THE DAY OF THE SALE. THE  
MINIMAL EQUITY TO BE RETAINED BY CITIBANK, ONCE  
IDENTIFIED AS 8 TO 10 PERCENT, WILL BE STRICTLY PORTFOLIO  
AND CONVEY TO CITIBANK LOGOTYPE RIGHTS TO IRANIANS BANK.  
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PAGE 02 TEHRAN 04468 110402Z

2. THE SALE, WHEN ACCOMPLISHED, WILL BE DESCRIBED AS  
CONSONANT WITH CITIBANK'S WORLDWIDE POLICY OF DIVESTING  
WHEN IT DOES NOT HAVE MANAGEMENT CONTROL. WHILE TRUE,  
KELLEY ADMITS, AND THE TEHRAN FINANCIAL COMMUNITY IS  
AWARE, THAT, THE SALE WAS ACCELERATED BY YAZDANI'S  
LATE-1977 ACQUISITION OF MAJORITY CONTROL OF THE BANK,

AN ACTION REPORTED IN 77 TEHRAN 10433. THE EFFECT OF  
THIS CONTROL WAS PERCEIVED AS EXACERBATING THE BANK'S  
ALREADY IMPERFECT MANAGEMENT IMAGE AND FURTHER REDUCING  
CITIBANK'S MANAGEMENT AND POLICY IMPACT ON THE BANK  
TO THE POINT THAT IT SHOULD REMOVE ITS AFFILIATE STATUS.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, BANK SERVICES, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TEHRAN04468  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780199-1038  
**Format:** TEL  
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**Image Path:**  
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**Line Count:** 68  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 833330a1-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TEHRAN 1398  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2730276  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BANKING-CITIBANK SALE OF EQUITY IN IRANIANS BANK  
**TAGS:** EFIN, IR, CITIBANK  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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